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accurate description of guild organizations and functionings as they exist today in Peking.

Partly because no old guild records are available, historical material in this paper, although abundant, is by no means comprehensive. This fact, however, is not the handicap which it might be were we dealing with institutions which have already disappeared. Although no doubt a complete historical picture would throw much light on the present operation and functioning of the guilds, it is not so essential in this case because there is every reason to suppose that they are now functioning very much as they have functioned since ancient times. There are indications, it is true, that of late the ancient structure is beginning to crumble. But in a city like Peking, which is relatively little affected by foreign trade and manufacturing, enough remains to enable us to see clearly the outlines of the ancient organizations.

This paper will not deal extensively with the transformation of the guilds. It is relatively more important to understand the nature of these ancient social structures than the many modifications now taking place. Ten years from now much more material will be available on the dissolution of the guilds, but it may then be difficult to determine the original nature of the organizations. The changes cannot be evaluated except by reference to the original structure. No effective effort to conserve the best of the guild life can be made unless we know the nature of the original social values and attitudes manifested.

The method used is particularly adapted to a study of this ancient group life. The investigators who covered most of the guilds were young men of modern education, able to give a critical estimate of the facts recorded, but they had not been abroad, were not "Westernized" and were not familiar with Western economic life. These young men had the best possible introduction, that of the friendly scholar-priest with

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whom the guild officials were acquainted. Many of these officials were interviewed several times. It must be remembered that time is not considered so valuable to these old guildsmen as to the heads of Western business concerns. A chat with the nephew of the priest who prepares their "god's feast" each year, or with the nephew's friend who had an introduction from the same priest, would *a priori* be calculated to draw out the facts "as they saw them." There would be no motive for deception and no suspicion because of the introduction. Unlike the West, there is no danger of revealing trade secrets to rival firms. Each group has a practical monopoly in its field, hence there is no danger of the competitor profiting by the facts divulged. It is also highly improbable that these guildsmen had ever been similarly interviewed regarding the guilds. They were not questionnaire-hardened.

The discussion of the future of the guilds is based on inferences derived from the guildsmen's reports, or on material obtained from sources other than the questionnaire.

E. The Distinction Between Verified Facts and Inferences Drawn from these Facts

In the following discussion there are two types of matter dealt with: (1) facts derived from the inductive study of these guilds or from other creditable sources; and (2) opinion or conjecture based on these facts. In the former case statements will frequently be made without reference to the exact source. Opinions or inferences derived from these facts will in every case be given as opinion merely. Unqualified statements may be assumed to be based on the material in hand.

F. Money Exchange Rates

Throughout this study the sign $ will indicate Chinese, not American, dollars. When the American dollar is men-

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CHAPTER XII

THE FUNCTIONS OF THE GUILDS

* 441 * 467 SEVERAL important functions of the Peking Guilds, or their modes of activity and control, have already been described. Most of the guilds are educational institutions with apprenticeship systems. Many include the functions of religious societies and have definite forms of religious practice. Many also act as philanthropic agencies, giving relief to their destitute members and, in some few cases, charitable aid to the poor of the city. Except for these few cases of general charitable work, the guilds carry on no civic activities. In fact, they contest with the public authorities more often than they cooperate with them for the public welfare. They discipline their members, fining and punishing them for misbehavior. Their control sometimes extends to non-members who are trying to carry on business in the guild area.

The primary functions of the guilds are of course economic. They consist in general in (1) maintaining monoply for guild members; (2) preventing competition within the guild; and (3) determining prices and wages and otherwise regulating the economic procedure of guildsmen. There is very little evidence that the Peking guilds endeavor to standardize products or to regulate hours of work.

A. THE FIXING OF PRICES AND WAGES AND THE STANDARDIZING OF GOODS

125 127 There are three ways of arriving at an understanding of how the guilds function:

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(1) Through the replies to the questionnaire we are in a position to see what the guildsmen consider the principal functions of their organizations.

(2) The study of the regulations of the guilds of Peking and of the South reveals the standards of activity that these guildsmen set for themselves.

(3) The description of recorded guild happenings, either in Peking or in South China, shows us how guildsmen behave under certain circumstances.

We will first deal with material from our own investigation. The replies to questions pertaining to the functions of the guilds were more meager than in any other section. Perhaps the reason for this dearth of material is that the guild activities to be reported on seemed so common and ordinary to the reporters that they did not consider them worth mentioning. The customary procedure had become so closely identified with the very structure of the guildsmen's social world that in many cases our informants had never thought of how the guilds operated.

Already we have dealt with the limitations of the guild area[1] and the usual monopoly of the particular craft, trade or profession in the designated locality.[2] The same definiteness in the area of operation and an even greater insistance on one hundred per cent guild membership for all workers in the local district characterize the guilds of similar type in South and Central China described by Macgowan and Morse.[3]

Table XVII [3] shows that most guilds have no regulations concerning the fixing of prices and wages. In the craft guilds, prices are definitely fixed by only five groups and wages are definitely standardized by only nine groups out

[1] *Cf.* pp. 127-129.

[2] *Cf.* pp. 130-131.

[3] *Cf.* pp. 192-193.

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the purpose of profit-making but is a part of the gigantic process of industrialization of this country. In other words, whereas most of the Chinese industrialists usually start their enterprises with a lack of the necessary experience and knowledge which their work demands, those in connection with the factories under consideration are well equipped in both. Thus, if the former were blindly drawn to industrial pursuits, the latter entered into the field with a full consciousness of their knowledge and ability to adjust themselves and their activities to the environment. The difference between the two is certainly worthy of attention.

Secondly, the labour movement has in recent years begun to loom large on the horizon of the industrial world of this country, in spite of the stringent measures aganst it heretofore adopted by the militarist authorities and in spite of the oppressive policies pursued by factory owners or managers. In fact, the movement is gaining momentum at an amazing rate. It must be understood that if on the one hand, as is frequently alleged, a good deal of labour unrest has been due to agitation or extraneous pressure from radicals and communists, none can deny that on the other there are also genuine reasons for the dissatisfaction of the labourers and that their complaints, whatever they may be, must be looked into. As the ancient sage, Hsun-tze, says, "Worms breed only in things which have already become rotten," so no labour troubles could flourish unless the soil is already fertile for its growth and development. Now this is precisely what the managers of the two factories have anticipated and endeavoured to forestall. They believe that labour is a primary requisite in production and therefore it must be accorded due consideration. Our description of their welfare work forms an excellent illustration of the extent to which action has been taken by them in this respect.

That the managers of the two factories have always been eager to find means to improve the lot of their workers may also be found in their desire to study the needs of the workers. Thus, during his stay at the Chiu Ta Salt Refinery from March to June 1927, our investigator was afforded every facility by the authorities of the two factories to conduct his study. So long as they were not of a

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[127] 123 nature which would divulge trade secrets, all the archives of the two factories were open for his inspection. He was allowed to live close to the workers' dormitory, to mingle freely with them, and to take part in their social activities. And last, but not the least, the investigator was asked constantly and in particular after the completion of his study to make recommendations on extending and improving their welfare work. Such a solicitous spirit shown for the well-being of their workers, it must be admitted, is but rarely met with in factories in this country.

511 Readers will find the conditions of living of the workers fully dealt with in the different chapters of this book. Whether the living standard of the workers is adequate will, perhaps, be viewed differently by many, but, at any rate, it may be admitted that it can by no means be compared with that in the West, particularly with that in the United States. Nevertheless, in a review of Chinese labour conditions, it seems necessary, first of all, to give due allowance to the general low standard of living of the Chinese. Now if the majority of our people are living in a poverty-stricken state, and are visited periodically with natural and more frequently with social and political catastrophes, how can it be possible to expect the industrial worker alone to enjoy an abundant life? Indeed one finds in the modern cities of this country, a semblance of opulence and extravagant living such as is usually found in industrially developed nations, but we need not go far afield before we discover tens and hundreds of thousands of people living in misery and privation. What about the lot of the teeming millions of agricultural workers in the country who are compelled to lead an existence, precarious and pitiably poor? This, be it observed, is not to say that the worker should be satisfied with his present lot, and that the employer may treat him in any way he likes. What is here maintained is that every advance in the worker's well-being must be preceded or accompanied by an uplifting of the general living standard and that his material welfare cannot be treated as a phenomenon in isolation.

(512) Again, it seems necessary, in the course of our discussion, to remember that there are also considerations other than labour.

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466 743 responsible for the following three duties: (1) physical examination of the workers, (2) prevention of epidemics, and (3) sanitary inspection of the factory.

Physical examination is required of both new and old workers. Any workman who is found to have contracted venereal disease is dismissed immediately. The pupils of the Ming Shin Primary School are also examined at regular intervals.

466 743 751 For the prevention of epidemics, the hospital is stocked with various kinds of anti-toxins. Every worker connected with the factory must be vaccinated, the aged ones alone being exempted. Two days are reserved by the hospital every year for giving free vaccination to the inhabitants of Tangku. In case there occurs an epidemic at Tangku, the workers are immediately noticed and taught preventive measures.

Inspection is held from time to time by the physician of the hospital. Preventive measures for sickness are prescribed for the workers.

164 127 The hospital possesses complete records of cases treated, such as registration cards, diagnoses, prescriptions, diaries of the physician and nurses, and so on. These have lately been carefully studied by the physician and have been compiled into statistics. A part of these statistics, limited to the period from October 1924 to September 1925, is now available for our use and we present them in the appendix of this book.

164 466 From the statistics of sickness and our personal observations, it may be concluded that diarrhoea is the most common disease among the inhabitants of Tangku as well as the Chiu Ta workers. The diseases typical of the Chiu Ta workers are of four kinds. (1) Cold.—They are easily contracted by workers after strenuous exertion and perspiration. (2) Skin inflammation.—This is caused by the dampness of the air and cold vapour in the salt refining room. Its prevalence can be gauged from the fact that as many as 437 cases occurred in the whole year. Skin inflammation is, in fact, an occupational disease. (3) Burns.—This is usually due to contact with boiled brine and hot iron implements. The careless handling of the latter is the sole